

MERGER DECISION NO 5: 2026

Notice in Terms of Section 53(4) (a)(ii) of the Competition Act 2018

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF ALL THE SHARES IN TWIZZA PROPRIETARY LIMITED BY THE BEVERAGE COMPANY PROPRIETARY LIMITED

Introduction of the Merging Parties

Pursuant to section 53(4)(a)(ii) of the Competition Act 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in relation to the proposed acquisition of all the shares in Twizza Proprietary Limited (“Twizza” or the “Target Enterprise”) by The Beverage Company Proprietary Limited (“BevCo” or the “Acquiring Enterprise”) - (the “Proposed Transaction”). Following implementation of the transaction, Twizza will be solely controlled by BevCo.

The primary Acquiring Enterprise is a private company incorporated in terms of the Laws of South Africa. BevCo is solely controlled by Varun Beverages Limited (“Varun India”), which is incorporated in terms of the Laws of India. In South Africa, BevCo wholly owns The Beverage Company BidCo (Pty) Ltd (“BidCo”) and Little Green Beverages (Pty) Ltd (“Little Green Beverages”), both incorporated in South Africa. BevCo does not have any subsidiaries in Botswana.

The Target Enterprise is a company incorporated with the Laws of South Africa. Twizza is currently wholly owned by Clark Holdings (Pty) Ltd (“Clark Holdings”). Clark Holdings is an investment holding company incorporated in terms of the Laws of South Africa. It is in turn wholly owned by Clifton Trust. Twizza does not directly or indirectly control any firms.

Merging Parties

In terms of the activities of the Merging Parties, BevCo is involved in the manufacturing and bottling of carbonated soft drinks primarily in 2-litre plastic pack sizes. BevCo’s bottling facilities are located in Johannesburg (Boksburg and Isando), Cape Town, Durban and East London. It sells its own branded carbonated soft drink products under

the brands Refreshhh!, Jive and Coo-ee and is also a significant private label carbonated soft drink bottler to various retailers in South Africa. BevCo also produces a range of own branded mixers, energy drinks and water and is the registered bottler for PepsiCo beverage products in South Africa.

Varun India is one of the largest franchisees of PepsiCo and manufactures, distributes and sells a wide range of carbonated soft drinks, as well as a large selection of non-carbonated beverages, including packaged drinking water sold under trademarks owned by PepsiCo. PepsiCo carbonated soft drink brands produced and sold by Varun India include Pepsi, Pepsi Zero Sugar, Mountain Dew, Sting, Seven-Up, Mirinda, Nimbooz Masala Soda and Evervess. PepsiCo non-carbonated beverages brands produced and sold by the Company include Tropicana Slice, Tropicana Juices (100% and Delight), Seven-Up Nimbooz, Gatorade as well as packaged drinking water under the brand Aquafina.

On the other hand, the Target Enterprise is a South African soft drink manufacturer, which offers beverages in a variety of flavours in the carbonated soft drink, energy drink and functional drink categories. Twizza is involved in bottling and distributing the Twizza own-branded carbonated soft drinks, energy drinks, functional drinks and mixers. Twizza supplies its drinks products in South Africa and neighbouring countries, including Botswana.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigations have revealed that both the Acquiring and Target Enterprises have no physical presence in Botswana and are both active in the distribution and selling of carbonated drinks, energy drinks and mixers in Botswana. The proposed merger is expected to enhance competition in the non-alcoholic beverages sector. Accordingly, the proposed transaction is a competition-enhancing transaction. Therefore, the transaction under assessment is not expected to substantially lessen competition or restrict trade or the provision of services or to endanger the continuity of supplies in the relevant market or in any market in Botswana.

The implementation of the proposed merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana as any market share accretion by the merged entity in any relevant market is minimal. In addition, the market for the distribution and selling of carbonated drinks, energy drinks and mixers in Botswana is highly competitive and characterised by many players who will continue to provide competitive pressure on the Merged Enterprise.

In terms of Public Interest considerations, the Authority does not foresee any significant detriment to public interest that will arise because of the transaction under consideration.

The merging parties do not have any physical presence or employees in Botswana but are rather present through the importation of their products. As such the proposed merger does not pose any risk of duplication of roles nor any risk of merger related retrenchments. Further, the merging parties intend to continue with the distribution and selling of their products in Botswana post-merger.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not expected to significantly change upon implementation of the proposed transaction as the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market under consideration. Furthermore, the proposed merger will not have any significant negative effects on public interest matters in Botswana as per the provisions of section 52(2) of the Act.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of all the shares in Twizza Proprietary Limited by The Beverage Company Proprietary Limited.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 2nd day of March 2026.

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